

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

 DOTE-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 DRC-01 /048 W

----- 115172

P R 250400Z JUL 74

FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC PRIORITY 2270

INFO AMEMBASSY CANBERRA

LIMITED OFFICIAL USE SECTION 1 OF 2 MELBOURNE 0860

E.O. 11652: N/A

TAGS: ETRN, AS

SUBJECT: CIVAIR: USER CHARGES

REF: (A) STATE 145566; (B) MELBOURNE 0845

1. RECEIVED ON JULY 25 LETTER FROM ATG SIGNED BY
PHILLIPS IN RESPONSE TO OUR REQUEST FOR ESTABLISHING
MEETING TIME WITH GOA DELEGATION ON USER CHARGES.

2. FOLLOWING IS COMPLETE TEXT OF LETTER AND ENCLOSURE
WHICH WILL ALSO BE SENT SEPARATELY BY INTERNATIONAL AIR
MAIL.

-"DEAR MR.BROWN:

I REFER TO YOUR LETTER OF 17 APRIL AND YOUR RECENT MESSAGE
REGARDING THE INITIATIVES BY THE UNITED STATES TO DISCUSS
THE QUESTION OF THE UNITED STATES AND AUSTRALIAN CHARGES
FOR THE USE OF AIRPORTS AND AIR NAVIGATION FACILITIES.

DURING THE CONSULTATIONS BETWEEN DELEGATIONS OF OUR TWO
GOVERNMENTS IN FEBRUARY, THE AUSTRALIAN DELEGATION
INDICATEED THAT THE INTERROGATORY RELATING TO THIS MATTER
WHICH WAS TABLED BY THE UNITED STATES DELEGATION, WITH
POSSIBLE AMENDMENTS FROM THE AUSTRALIAN SIDE, COULD FORM
A SUITABLE AGENDA FOR A POSSIBLE MEETING OF EXPERTS.

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THE DELEGATIONS AGREED THAT, AS A FIRST STEP, EXPERTS ON

BOTH SIDES WOULD EXCHANGE VIEWS ON THE DRAFT INTERROGATORY AND DECIDE ON AN APPROPRIATE DATE FOR ANY MEETING WHICH MIGHT BE ARRANGED TO CONSIDER DATA PREPARED BY EACH SIDE IN RESPONSE TO THE AGREED INTERROGATORY.

IN THE LIGHT OF THIS AGREEMENT, I BELIEVE THAT IT WOULD BE INAPPROPRIATE, AND CERTAINLY PREMATURE, FOR A MEETING TO BE HELD TO CLARIFY THE ISSUES AND AGREE ON THE DATE TO BE EXCHANGED WITHOUT FIRST ENDEAVOURING TO REACH AGREEMENT BY CORRESPONDENCE ON THE TERMS OF THE INTERROGATORY. FOR THIS PURPOSE, I ATTACH A REVISED DRAFT FOR CONSIDERATION BY YOUR GOVERNMENT'S EXPERTS.

OUR SUGGESTED AMENDMENTS ARE NOT INTENDED TO CHANGE THE SUBSTANCE OF THE QUESTIONS PROPOSED BY YOUR GOVERNMENT, BUT TO EXPRESS THEM IN TERMS WHICH ARE CLEARLY UNDERSTOOD BY BOTH SIDES.

AT THE PRESENT TIME, THIS DEPARTMENT IS ENGAGED IN REVIEWING THE WHOLE QUESTION OF USER CHARGES AND CONTRIBUTIONS BY BENEFICIARIES IN ALL MODES OF TRANSPORT, AND IT WOULD BE OF CONSIDERABLE VALUE TO HAVE DISCUSSIONS WITH YOUR EXPERTS ON THIS GENERAL QUESTION BEFORE PROCEEDING TO THE NARROWER ISSUE OF CHARGES FOR INTERNATIONAL AVIATION FACILITIES.

IN REFERRING THE ENCLOSED DRAFT INTERROGATORY TO YOUR ADMINISTRATION, THEREFORE, I WOULD BE GLAD IF YOU COULD INQUIRE WHETHER IT WOULD BE IN POSITION TO HAVE MORE GENERAL DISCUSSIONS OF THAT NATURE AS A PRELUDE TO TALKING ABOUT AVIATION COSTS AND CHARGES.

YOURS SINCERELY,

(SIGNED) R.D. PHILLIPS

DEPUTY SECRETARY

AIR TRANSPORT GROUP."

ENCLOSURE: "QUESTIONS RELATING TO UNITED STATES AND AUSTRALIAN INTERNATIONAL AVIATION USER CHARGES.

1. ARE ALL THE FACILITIES AND SERVICES BEING CHARGED LIMITED OFFICIAL USE

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FOR SPECIFIED IN ICAO REGIONAL PLANS?

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INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

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----- 115131

P R 250400Z JUL 74

FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC PRIORITY 2271

INFO AMEMBASSY CANBERRA

LIMITED OFFICIAL USE SECTION 2 OF 2 MELBOURNE 0860

2. ARE THOSE FACILITIES AND SERVICES BEING COSTED
ACCORDING TO A SOUND ACCOUNTING SYSTEM? (EXAMPLE:
IS THE DEPRECIATION SCHEDULE REALISTIC? A FACILITY
WITH A TWENTY YEAR LIFE EXPECTANCY SHOULD NOT
ORDINARILY BE WRITTEN OFF IN A LESSER PERIOD).
3. ARE COSTS DISTRIBUTED BY ENROUTE AND AIRPORT CATEGORIES?
BY DOMESTIC AND INTERNATIONAL CATEGORIES? BY
SEPARATE AIRPORT LOCATION?

4. WHAT CRITERIA ARE USED IN:
A) COMPUTING THE ENROUTE PORTION OF THE COSTS
OF FACILITIES USER FOR BOTH ENROUTE AND
AIRPORT OPERATIONS; AND
B) DISTRIBUTING THE ENROUTE AND AIRPORT COSTS
BETWEEN CATEGORIES OF USER?

5. ARE THE UTILIZATION DATA USED IN COST ALLOCATION SOUND?
(EXAMPLES: IF SAMPLE USED, IS SAMPLE VALID? DO THE DATA
SHOW THE CLASS OF USER (AIR TRANSPORT/GENERAL/STATE,
INCLUDING MILITARY, AND WHETHER INTERNATIONAL AND
DOMESTIC?).

6. DOES COST ALLOCATION SOUNDLY REFLECT THE ABOVE UTILIZATION
FACTORS?

7. HAVE RESEARCH AND DEVELOPMENT COSTS BEEN INCLUDED? WHAT
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METHODS OF COSTING AND COST ALLOCATION WERE USED IN THIS

RESPECT?

8. HAS DUE ALLOCATION IN MET AND SAR COSTS BEEN MADE FOR
NON-AERONAUTICAL BENEFICIARIES?

9. DOES THE METHOD OF CHARGE SEEM APPROPRIATE? FOR EXAMPLE:
IS IT EQUITABLY BASED ON THE COSTS, THE DEGREE OF USE OR
THE EXTENT TO WHICH THE FACILITIES CAN BE USED, OR THE
VALUE OF THE SERVICE RECEIVED?

10. HAVE FACILITIES AND SERVICES, WHICH WERE ONLY
PARTIALLY EFFECTIVE, BEEN COSTED SO AS TO
REFLECT THAT FACT?

11. UNDER WHAT CIRCUMSTANCES MAY USER CHARGE
REDUCTIONS BE GRANTED TO INTERNATIONAL AIR
CARRIERS UNDER EXISTING LEGISLATION?

12. WHAT IS THE BASIS FOR FLIGHT FACTOR 8 BEING
ASSIGNED TO INTERNATIONAL AIR CARRIERS IN
AUSTRALIA? WHAT IS APPROACH USED IN US."
BRAND

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